

**NORTH CAROLINA DIVISION OF
AIR QUALITY**

Application Review

Issue Date: May ##, 2017

Region: Asheville Regional Office
County: Henderson
NC Facility ID: 4500017
Inspector's Name: Mike Parkin
Date of Last Inspection: 02/16/2017
Compliance Code: 3 / Compliance - inspection

<p align="center">Facility Data</p> <p>Applicant (Facility's Name): Coats American, Inc. d/b/a Coats North America</p> <p>Facility Address: Coats American, Inc. d/b/a Coats North America 1710 Brevard Road Hendersonville, NC 28791</p> <p>SIC: 2284 and 2821/ Thread Mills and Yarn Spinning Mills NAICS: 313312 / Textile and Fabric Finishing (except Broadwoven Fabric) Mills</p> <p>Facility Classification: Before: Title V After: Title V Fee Classification: Before: Title V After: Title V</p>			<p align="center">Permit Applicability (this application only)</p> <p>SIP: 15A NCAC 2Q .0513 (renewal) NSPS: 40 CFR 60 Subpart VVV NESHAP: N/A PSD: N/A PSD Avoidance: N/A NC Toxics: N/A 112(r): N/A Other: N/A</p>																																																				
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<p>Review Engineer: Richard Simpson</p> <p>Review Engineer's Signature: _____ Date: May ##, 2017</p>				<p align="center">Comments / Recommendations:</p> <p>Issue: 04795/T15 Permit Issue Date: May ##, 2017 Permit Expiration Date: April 30, 2022</p>																																																			

I. Purpose of Application

Coats American, Inc. d/b/a Coats North America (Coats) currently holds Title V Permit No. 04795T14 with an expiration date of June 30, 2016 for development in the coating of high strength thread at their facility located in Hendersonville, Henderson County, North Carolina. The primary purpose of this application is for permit renewal. The renewal application was received on October 5, 2015, which was at least nine months prior to the expiration date, as required by General Permit Condition 3.K. Therefore, the existing permit shall not expire until the renewal permit has been issued or denied. All terms and conditions of the existing permit shall remain in effect until the renewal permit has been issued or denied.

II. Facility Description

According to the report for the previous compliance inspection conducted on February 16, 2017, by Mike Parkin, DAQ-ARO Environmental Engineer, "This facility is engaged in coating high strength thread with a polymer, predominately nylon and Teflon (PTFE). The nylon polymer is dissolved in a solvent (primarily isopropyl alcohol); the thread passing through a dye applicator (permeator), a coating applicator (permeator), and then through a dryer. Teflon coated thread goes through the same coating towers but the Teflon is dissolved in a water-based solvent. The facility has a process to modify the structure of nylon 6,6 to make it soluble in alcohol; this is referred to as the BCI process. The facility is permitted for two relatively small natural gas/No. 2 oil-fired boilers (only one boiler operates and fires strictly natural gas). The facility is also engaged in applying water repellant coating to thread."

III. History/Background/Application Chronology

October 5, 2015 – Permit application 4500017.15A was received for a Title V renewal.

February 20 – March 15, 2017 – Asheville Regional Office, the facility and their consultant were contacted about updates to the permit renewal. A few request needed backup calculations to confirm the sources as insignificant activities. Additional comments were received and included in the permit.

March 16-22, 2017 – The facility, the facility's consultant, the Mooresville Regional Office, and the Stationary Compliance Section were requested by the Permitting Section to comment on the permit renewal and review. Comments were received and included in the permit.

March ##, 2017 – DRAFT permit sent to public notice and EPA for review prior to issuance. The 30-day public comment period ended April ##, 2017 with the receipt of no comments. The 45-day EPA review period ended May ##, 2017 with the receipt of no comments.

IV. Permit Modifications/Changes

The following table describes the modifications to the current permit as part of the renewal process.

Page(s)	Section	Description of Change(s)
Cover and throughout	Throughout	Updated all tables, dates, and permit revision numbers.
Throughout	Throughout	Corrected the regulatory reference from 2D and 2Q to 02D and 02Q.

Page(s)	Section	Description of Change(s)
Attachment 1	Insignificant Activities List	Source I-SRC-TB-P description was changed to delete No. 2 fuel oil since the facility will use natural gas only.
Attachment 1	Insignificant Activities List	Source identification I-SRC-B-1 was changed from SRC-B-1 since the boiler uses natural gas only and is now qualifies as an insignificant activity. SRC-B-1 was deleted from Sections 1 and 2.1 of the permit along with 15A NCAC 02D .1111 (40 CFR 63 Subpart JJJJJ) requirements.
Attachment 1	Insignificant Activities List	Source I-SRC-B-3 was changed from SRC-B-3 since the boiler uses natural gas only and is now qualifies as an insignificant activity. SRC-B-3 was deleted from Sections 1 and 2.1 of the permit along with 15A NCAC 02D .1111 (40 CFR 63 Subpart JJJJJ) requirements.
Attachment 1	Insignificant Activities List	Source I-SRC-WR-1 was changed from SRC-WR-3 since the emissions are less than the insignificant activity thresholds. Part of the description changed from “station” to “operation”. SRC-WR-1 was deleted from Sections 1 and 2.1 of the permit.
Attachment 1	Insignificant Activities List	Source I-SRC-T-X was changed from SRC-T-X since the emissions are less than the insignificant activity thresholds. Part of the description changed from “station” to “operation”. SRC-T-X was deleted from Sections 1 and 2.1 of the permit.
Attachment 1	Insignificant Activities List	Added source I-BCT with a description of “Biocide treatment process” per October 2, 2014 Applicability Determination No. 2504.
Attachment 1	Insignificant Activities List	Added existing source I-EP with a description of “Extruder operation applies various protective coatings to yarn”.
Attachment 1	Insignificant Activities List	Inserted DEQ web link information in Item No. 3 at bottom of attachment as general information.
3	Section 1	Included column for page numbers.
3, 4, and 7	Sections 1, 2.1 and 2.2.	Deleted sources SRC-BCI-6, TANK-MEFRM, SRC-T-K, SRC-T-O, SRC-T-P, and SRC-T-R since they will not operate at the facility anymore.
4	Section 2.1 A.	In the table, deleted row with 15A NCAC 2Q .0317 (112r Avoidance) since the rule is already located in Section 3 - General Conditions.
5	Section 2.1 A.2.a.	Added “[15A NCAC 02D .0521(d)]” to the end of the referenced regulation.
NA	Section 2.1 A.4.	Deleted section “15A NCAC 2Q .0317: Avoidance Conditions for 15A NCAC 2D .2100: Risk Management Plan” since the rule is no longer applicable to the facility due to removal of source and the rule is already located in Section 3 - General Conditions.
NA	Section 2.1 B.	Deleted section since the sources (SRC-TB-P, SRC-B-1, and SRC-B-3) are considered insignificant activities and the sources use only natural gas.
6	Section 2.1 B.	Deleted sources SRC-T-K, SRC-T-O, and SRC-T-P since they will not operate at the facility anymore.

Page(s)	Section	Description of Change(s)
7	Section 2.2 A. and 2.2 A.2.	In the table and section, deleted requirements for 15A NCAC 02D .0958: Work Practices for Sources of Volatile Organic Compounds. Per applicability of 15A NCAC 02D .0902 (e) and (f) as amended November 1, 2016, the facility's regulatory requirement for 15A NCAC 02D .0958 no longer applies to Henderson County.
9	Section 2.2 B.	Throughout the section, source I-SRC-WR-1 was changed from SRC-WR-3 since the emissions are less than the insignificant activity thresholds. Part of the description changed from "station" to "operation".
10-20	General Conditions	Updated to latest version of DAQ shell version 4.0 12/17/15.

There were changes made to the Title V Equipment Editor (TVEE) under this permit renewal.

V. Regulatory Review

The facility is currently subject to the following regulations:

15A NCAC 2D .0503, Particulate Emissions from Fuel Burning Indirect Heat Exchangers
15A NCAC 2D .0515, Particulates from Miscellaneous Industrial Processes
15A NCAC 2D .0521, Control of Visible Emissions
15A NCAC 2D .0524, New Source Performance Standards (40 CFR 60, Subpart VVV)
15A NCAC 2D .1100, Control of Toxic Air Pollutants
15A NCAC 2D .1806, Control and Prohibition of Odorous Emissions
15A NCAC 2Q .0317, Avoidance Conditions (for 15A NCAC 2D .0530: Prevention of Significant Deterioration and 15A NCAC 2D .1111:, Maximum Achievable Control Technology)
15A NCAC 2Q .0711, Emission Rates Requiring a Permit

A regulatory review for these existing requirements will not be included in this document. Per applicability of 15A NCAC 02D .0902 (e) and (f) as amended November 1, 2016, the facility's regulatory requirement for 15A NCAC 02D .0958: Work Practices for Sources of Volatile Organic Compounds no longer applies to Henderson County. For a discussion of MACT, CAM, and PSD requirements, see Section VI. The permit will be updated to reflect the most current stipulations for all applicable regulations.

VI. NSPS, NESHAPS/MACT, PSD, 112(r), CAM

NSPS – The Permittee is currently required to comply with the New Source Performance Standard for Polymeric Coating of Supporting Substrates (40 CFR 60, Subpart VVV) for the water-repellant fiber coating station (**ID No. SRC-WB-1**). The permit limits usage of VOC-containing coatings to less than 104.72 tons per year. To ensure compliance, the Permittee is required to semi-annually estimate projected VOC usage and calculate actual usage from this source. Recordkeeping and reporting requirements are also included in the current permit. This permit renewal does not affect this status.

NESHAPS/MACT – The Permittee currently operates under a facility-wide permit restriction limiting emissions of any single HAP to less than 10 tons per year and to less than 25 tons per year for any combination of HAPs in order to be classified as a Title III minor facility. To ensure compliance with these limits, the Permittee is required to calculate HAP emissions from specific sources by a combination of material balance, DAQ acceptable emission factors, approved stack test

results, and EPA emission factors. Recordkeeping and semi-annual reporting requirements are also included in the current permit. This permit renewal does not affect this status.

Boilers SRC-B-1 and SRC-B-3 were subject to 15A NCAC 02D .1111 (40 CFR 63 Subpart JJJJJ) requirements. However, these boilers now use natural gas only and the 6J requirements do not apply. The boilers are now permitted as insignificant activities and the sources are listed as I-SRC-B-1 and I-SRC-B-3.

PSD – The facility is a “grandfathered” PSD major facility (i.e., facilities that existed prior to 1977 with a potential of greater than 250 tons per year VOC). In a past permit modification, the Permittee requested modification of its Modified Nylon 6,6 manufacturing process. That modification had a potential increase in VOC emissions greater than the significance level for PSD applicability. Rather than proceeding through PSD permitting, the Permittee chose to limit emissions of VOC from this group of sources to less than 40 tons per year (Permit Section 2.1 A.3.a.). To ensure compliance with this limit, the Permittee is required to calculate monthly VOC emissions based on the number of batches processed and emission factors determined through DAQ approved source testing. Recordkeeping and semi-annual reporting requirements are also included in the current permit. This permit renewal does not affect this status.

112(r) – The facility would be subject to Section 112(r) of the Clean Air Act requirements because it could potentially store one or more of the regulated substances in quantities above the thresholds in the Rule. However, the Permittee has chosen to limit the storage capacity of methaform (3,000 gallons of methaform is approximately 15,000 pounds of formaldehyde) in order to ensure that the quantity of formaldehyde is less than 15,000 pounds facility-wide thus ensuring that 15A NCAC 2D .2100, Risk Management Plan, does not apply. The Permittee was previously required to maintain monthly production records to substantiate the formaldehyde storage limit. The facility has removed the methaform tank from service and disconnected the lines. Semi-annual reporting has been removed in this permit renewal.

CAM – 40 CFR 64 requires that a compliance assurance monitoring plan be developed for all equipment located at a major facility, that have pre-controlled emissions above the major source threshold, and use a control device to meet an applicable standard. There are no permitted control devices at this facility; therefore, CAM is not applicable.

VII. Facility Wide Air Toxics

The Permittee operates under separate permit conditions for toxic pollutant emission rates (TPERs) per 15A NCAC 2Q .0711 and source-specific modeled emission rates per 15A NCAC 2D .1100. An old modification to add the water-repellant fiber coating station (**ID No. SRC-WB-1**) triggered this formerly grandfathered facility (e.g., constructed prior to **October 1, 1993**) into the NC Air Toxics Program. Emissions were modeled for all sources emitting formaldehyde (excluding combustion sources). Specific limits have been placed in the permit. The Permittee is required to track hourly formaldehyde emissions and submit quarterly reports of those records. This permit renewal does not affect this status.

VIII. Facility Emissions Review

There is no change in Title V potential emissions for this renewal. Actual emissions from previous years are listed on Page 1.

IX. Compliance Status

DAQ has reviewed the compliance status of this facility. During the most recent inspection conducted on February 16, 2017, by Mike Parkin, ARO indicated that the facility appeared to be in compliance with permit 04795T14.

Five-year compliance history

An NOD dated April 25, 2014 was issued to this company for failure to maintain recordkeeping per 15A NCAC 2D .0958 “Work Practices for Source of Volatile Organic Compounds” during November 2013. The facility also needed to perform a boiler tune-up per 40 CFR 63 Subpart JJJJJJ. No enforcement action was taken by the DAQ for this violation.

X. Public Notice/EPA and Affected State(s) Review

A thirty-day public notice period and a forty-five day EPA review period is required for the renewal of the Title V permit. A notice of the DRAFT Title V Permit shall be made pursuant to 15A NCAC 02Q .0521. The notice will provide for a 30-day comment period, with an opportunity for a public hearing. Copies of the public notice shall be sent to persons on the Title V mailing list and EPA. Pursuant to 15A NCAC 02Q .0522, a copy of each permit application, each proposed permit and each final permit pursuant shall be provided to the EPA. Also pursuant to 02Q .0522, a notice of the DRAFT Title V Permit shall be provided to each affected State at or before the time notice is provided to the public under 02Q .0521 above.

EPA’s 45 Day Review period

Ms. Heather Ceron (U.S. EPA, Region IV) was provided a PROPOSED permit for review on March ##, 2017. EPA 45-day review period ended on May ##, 2017. No comments were offered or received.

Public Notice

The 30-day public notice of the proposed permit was posted on the NCDAQ website on March ##, 2017. No comments were offered or received.

XI. Other Regulatory Considerations

- A P.E. seal is NOT required for this application.
- A zoning consistency determination is NOT required for this renewal.
- Since this application was a renewal with no modification, no emission increases were noted for the PSD increment tracking purposes.

XII. Recommendations

The permit renewal application for Coats American, Inc. d/b/a Coats North America in Hendersonville, Henderson County, North Carolina has been reviewed by DAQ to determine compliance with all procedures and requirements. DAQ has determined that this facility is complying or will achieve compliance, as specified in the permit, with all requirements that are applicable to the affected sources. The DAQ recommends the issuance of Air Permit No. 04795T15.